

Alaska Energy Cost Reduction Program Progress Report

Grantee: Alaska Power & Telephone Company

Project Name: Upper Lynn Canal Power Supply Projects (Denali)

Grant # 0129-DC-2004-I16

Period of Report: Second Quarter 2006 (April 1, 2006 to June 30, 2006)

Project activities completed:

- Mobilization was completed using the refitted LCM-8 landing craft and 35-foot crew boat.
- Two excavators, a fuel storage tank, culverts, geomat, concrete retaining wall blocks, office trailer and other supplies to initiate construction.
- The tailrace has been cleared out except for the large boulders that need to be drilled and blasted.
- The powerhouse base is now at elevation for pouring the building foundation.
- Merchantable timber was hauled to the beach staging area for storage
- Federal Energy Regulatory Commission (FERC) issued construction order.
- Team was contacted for Environmental Controls Manager (ECM) that was acceptable to all agencies

Project existing or potential problems:

The WEG generator was received in Seattle with damaged packaging and full of water. The manufacture, shipper, and insurance company continue working out repair and testing of the unit. Tunnel design and construction seem to present challenges that must be addressed

Activities targeted for Next Reporting Period, Second Quarter 2006:

- Continue design engineering of the tunnel and impoundment structure.
- Initiate construction of the tunnel.
- Continue contrasting and refining access road, rights-of-way, and access areas.